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variations represented by urban life.

A. The Pattern of Village Life

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First of all, life in the farming village is meager. In Shantung in 1932 there was .45 acres of cultivated land per person; the richer semi-tropical province of Chekiang had only .3 acres for each person.[1] Farm families save everything; fecal matter and refuse go into a pit near which a pig is kept, and at the time of spring fertilizing the material from the pit is mixed with topsoil or water and spread on the fields. Grass and grainstalks are carefully husbanded to be used as fodder for the farm animal, by no means one animal to a family and as fuel for cooking and rarely, for heating the house. Cloth is scarce and clothing is worn until it falls apart; after that the rags are used to make the soles of cloth shoes. The shortage of wood for all purposes has long been acute, and farm buildings are made of pounded earth, mud bricks, and, in the rice region, of bamboo lathe and mud plaster. Floors are of earth and only the dwellings of the wealthier farmers have glass windows. The dominant fact of life in the Chinese countryside is poverty. This has grown steadily worse during the last hundred years as factory-made goods destroyed village handicrafts, usury and tenancy increased, wars and ineffectual governments brought disruption and oppression, and overpopulation became steadily worse. "The

1. Geo. B. Cressey, Asia's Land and Peoples, New York, 1944, p. 87. Cressey cites C. C. Chang "An Estimate of China's Land and Crops "Nanking. 1932; Cressey p. 88:"...an average farm family of 6.2 persons must obtain its entire livelihood from a farm of 4.18 acres of which but 3.76 [cont'd]

511 most bankrupt countryside in Asia is the Chinese. The worst crisis of over-population China has yet had to face has been accompanied by a breakdown of traditional ideas and traditional authority so complete as to lead to a state of near anarchy."[2]

511 182 The characteristic way of life of the peasants has been slowly disintegrating under manifold pressures. In prosperous periods in the past a delicate balance of human and economic factors fostered a crowded, conformist, but on the whole harmonious village life. Recent decades have seen the old harmony replaced by tension and a predatory struggle for survival. And, despite the isolation of most villages, ideas and ideals from the West have slowly undermined the authority of the older mores and customary laws.

178 Despite all the fissures that have developed, it is well to remember that peasant life everywhere has a tremendous inertia, that it is incredibly resistant to all the forces of change. Thus much of the sweeping change that occured in city life under comparable pressures did not occur in the peasant villages.

527 262 The main economic and social unit of the village is the family and a special study is devoted to that subject. Here we should sketch the rhythm of village life and something of its annual cycle of activity.

[Footnote No. 1 cont'd.] "... acres are actually in crops.

2. Maurice Zinkin, Asia and the West, London, 1951, p. 111.

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

CHAPTER VII

HOUSING

OFFICIALS OF THE Shanghai Municipal Council gave much thought to the question of housing congestion in the Settlement. The Commissioner of Public Works, writing of the situation in 1935, stated:

"The poorest people of this country, through age-long poverty and hardship, have become inured to a condition of living which, in some other countries, would be thought insupportable. Overcrowding, however, is not confined to the poorest classes, nor to habitation . . . and is a vast social and economic problem which can only be solved gradually by the Chinese people. As far as Shanghai is concerned, serious overcrowding is a permanent and widespread condition from Hongkew Park to the Southern Station, and from Lay Road to Avenue Haig. Political disturbances in the past (first in 1861) have often led to an influx of refugees. It is inevitable that at such times new standards of overcrowding are established more or less permanently, and from general observation it would appear that overcrowding had increased in the past decade. Actually it is overcrowding in the first instance that makes high rents possible, and it is because of overcrowding, and the consequent high rents which have been possible with but a trivial addition to the cost of the buildings, that capitalization of the increased net rentals goes on to the land and creates a high land value that it is difficult to break down."[1]

How true these words were was to be tragically demonstrated in 1937, two years later, when the influx of refugees fleeing from hostilities was to produce worse overcrowding and higher rentals than Shanghai had ever experienced before.

According to the 1935 census figures, there were in that year 1,120,860 Chinese residents in the International Settlement or more than 99½ per cent of the total population. A count of heads for food supply purposes in February 1942 put the figure at 1,800,000, a number considerably less than generally believed. At the turn of the century, when the first count of Chinese population in the Settlement was made, their number had been 345,276. In

[1] Quoted in the *Report of the Housing Committee*, Shanghai Municipal Council, 1937.

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

342 362 stairway. This dark loft may be the only home that many a family knows. The kitchen, at the rear of the house, may or may not be used for its original purpose; more likely it is the residence of yet another family, while portable coal-briquette stoves are placed anywhere for cooking purposes. In the same way the upper front room may have both vertical and horizontal partitions, making spaces for other families; and the room above the kitchen will house yet another household. The area for each family is obviously minimal.

● 511 362 The alteration of buildings without permit was illegal. Application should be made to the Building Surveyor of the Public Works Department for permission to carry out any building alterations. In practice, however, it was very difficult to detect interior alterations while they were being made. While theoretically the removal of unauthorized structures might be required, and while the Building Surveyor waged a vigilant struggle against such structures, there were certain difficulties in the way of complete enforcement. Not the least of these difficulties was the fact that the earnings of the majority of the Chinese population were insufficient to permit them to rent larger living quarters than they actually occupied. The basic cause of housing congestion was economic. As we have seen, the earnings of a principal wage earner were in general insufficient for the needs of his family, nor did the average total wages earned by all family members meet these needs. Under these circumstances it is obvious that a family will pay as little as possible for rent, and will occupy an unbelievably small space in order to reduce rental expenditure.

633 362 THE SETTLEMENT WAS by no means complacent in the matter of its bad housing conditions. At the annual meeting of ratepayers in 1936, a British resident proposed the following resolution:

> "Whereas the constant growth in the population of this Foreign Settlement has been accompanied by a rapid development of industrialism and many changes in the living conditions of the people: and
>
> "Whereas serious public concern has been manifested over the resultant housing congestion and other unfavourable conditions associated therewith: and
>
> "Whereas no definite steps have been taken toward the examination of the problem with a view to possible measures for preventing its further aggravation,

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

new dormitories. Provision for rooms for drying workers' clothes by steam, instead of having them hanging damp, depressing and unhygienic in already crowded bedrooms, represented further betterment. Standards were rising. The happiness of workers in dormitories is conditioned also by psychological factors. In an effort to enlist dormitory matrons in the campaign for better conditions of dormitory life, a course of discussions over six weeks was held. Thirty-six women from twenty-six factories came, their interest increasing as the course proceeded. Hygiene in the dormitory, food, provision of recreation and education, and some talks aimed to interest the matrons in achieving harmony and more ordered living were among the subjects discussed. Individual visits were paid to the matrons and they were encouraged to come to the office of the Division for consultation and refreshment in their task.

REFERENCE HAS BEEN made to the high rents which the overcrowding resulting from hostilities produced. Rents in 1942 were almost five times what they had been in 1936. To some actual property owners this figure seemed fantastic. By rulings of the First Special District Chinese Court, rentals of those lessees amenable to the Court were not permitted to be raised by more than twenty per cent, which means that the property owner did not receive more than twenty per cent above his 1936 rate. His costs meantime increased greatly. Charges for water consumed in many cases equalled the rent received. For the purpose of the cost of living index figures, actual "retail" rentals paid by sub-tenants who rent a portion of a house from the principal tenant were considered. The principal tenant, taking advantage of the enormous demand for housing produced by the hostilities, raised the rentals of his sub-tenants on every pretext.

To discover the extent to which principal tenants were exploiting the housing shortage and squeezing the last cent possible from their sub-tenants, a study of the problem was made by Council officials in 1940. A typical situation was found to be as follows. The principal tenant paid his landlord an annual rental of only $960, although investigation of investment, water costs, which the landlord met, and other charges demonstrated that he should, instead, have paid $1,398. In rentals from his sub-tenants, however, he took in $2,004, in addition to the value of the space which he

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511 occupied, worth another $550 to him—or $2,554 in all. Admitting
427 that he was entitled to a certain return on his investment and for services, and putting this at the generous figure of twenty-five per cent, his excess profit after all charges was $453, approximately fifty per cent of his initial rental.

In face of sufficient houses for the increased population the find-
511 ing of any basic solution to the situation proved difficult. During
427 1940 Council officials and committees sought means to relieve the
633 obviously exploited sub-tenant and to give the actual owners of houses a return on their property more in keeping with their increased liabilities. Every conceivable method was considered. The proposal was made to property owners, for example, that they might let directly to sub-tenants, eliminating the functions of principal tenants, but many legal difficulties appeared. Tenants on monthly leases had a virtually perpetual lease, as interpreted by the Chinese courts. A suggestion was made in 1940 that controls might be exercised through licensing sub-lessors. Legal advice then held that it was not within the Councils competence to license sub-let premises. Competent Chinese advisers warned against instituting a procedure which might create difficult relations between the principal tenant and his sub-tenants. In the housing shortage, they stated, no sub-tenant would dare to take advantage of a provision aimed to reduce his rentals. Without a new dwelling to which to go, he would rather pay his present rent than create a strained situation finally forcing him to move.

But emergencies frequently shake authorities from their purely legalistic interpretations, sometimes with social betterment in consequence. After the outbreak of Pacific hostilities in December 1941, it was apparent that unemployment consequent on this development would make it impossible for many, even those formerly well placed, to pay ruling rents. Accordingly the Council issued a notification forbidding landlords to evict tenants during a period of three months, and instructed landlords and tenants to reach mutually satisfactory rental relations without recourse to the Courts. A Conciliation Board was established to mediate rental disputes between landlords and tenants. Sanction of the Consular Body was obtained for a new Byelaw to require a licence to sub-let and to make the acceptance of key money illegal. Through the licence the rentals of sub-let premises could be controlled. From

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the point of view of the people's livelihood, this measure involving control of rentals of 250,000 families was potentially an important social instrument. By the conditions of licence, the licensee had to post in a conspicuous place the exact rental paid by him to the landlord, together with his outpayments for municipal rate, licence fee, water and light charges if the licensee supplied light to the sub-tenants. Upon the basis of these total charges the sub-lessor might make a profit of not more than 20 per cent or a similar profit proportionately for any portion of the house sub-let. An important provision stated that no addition might be made to a sub-tenant's rental to compensate the licensee in respect of any money paid for alterations made to the premises. The significance of the key-money provision will be discussed later.

In the first quarter, 42,000 licences were taken out. An inspection staff paid 19,000 visits in this quarter, first instructing as to the necessity for obtaining a licence, then as to the method of computation of the rentals of various locations. To reinforce the efforts of the inspection staff 65 cases were instituted in the First Special District Court. Fines up to $250 and in five cases imprisonment, in one case up to six days, were inflicted. By the end of the first three months it was calculated that the rentals in 30 per cent of the sub-let premises had been adjusted in accordance with the provisions of the licence. By the licence conditions also, sub-let premises further sub-let could not earn any further profit. Since this practice had been very common the provision was a further factor in keeping down the people's rent.

Key money is a lump sum payment demanded by a landlord before he will give tenancy of a house: or by a tenant in the transfer of a lease: or by a tenant wishing to sub-let. It is not recoverable. When housing shortage is acute, key money for accommodation may be many times the monthly rental and can run into thousands of dollars for a house whose monthly rental is one or two hundred. The Byelaw forbade the demanding or taking of key money, or the taking of money in excess of the market value of furniture or fixtures for any premises let. Cases of key money came easily to light, through newspaper advertisements on the part of those not yet cognisant of the new ruling, or through information obtained by inspectors on their rounds. The support of the Court was obtained in applying the penalty of detention upon proper legal

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basis but contrary to usual practice in cases involving infraction of a Byelaw. A judgment of three months' imprisonment was handed down in one case where the accused was charged with taking $20,000 key money. When the sale of furniture and fixtures was involved, valuation by the Court's valuers was obtained, on the basis of which a case was instituted if it was found that the sum asked in the transfer of premises was greatly in excess of the value of these items. It will take a considerable period before key money will become recognised as being illegal, and there will always be cases where payments are made secretly. There will always be those ready to pay illegally for what they cannot obtain otherwise. Nevertheless a beginning was made in destroying the value which accrues to the tenant from the mere holding of a tenancy. Related to the question of key money was the provision in the licence to sub-let that not more than one month's rent could be collected in advance. Without such a provision a lump sum payment could be passed off as rental in advance, though monthly rentals would, in fact, also be collected.

The licence to sub-let aimed also at improving actual housing conditions. It required that the kitchen in a house might not be sub-let for residential purposes. It provided that passages must be kept free and rear and front entrances available for use at any time. If conditions become such that housing shortage becomes less acute, the instrument of licence could be used further to require improvement in housing conditions. Use of lofts as living accommodation, for example, might ultimately be forbidden.

There exists another instrument which might be invoked. A proposal by the Council to prevent overcrowding was approved in the form of a Byelaw by the Ratepayers' Meeting in April 1941. For years its necessity had been admitted, but difficulties in obtaining a quorum of ratepayers had prevented this and other needed reform measures from securing formal approval. It was understood that the Commissioner of Public Health would apply the Byelaw with discretion, at first only in the most flagrant cases, because of the housing shortage.[6] Nevertheless its existence provided an instru-

[6] *Byelaw against overcrowding*: "Every building or any part thereof found to be inhabited in excess of a proportion of one person for every thirty square feet of habitable floor space, or superficial area, and four hundred cubic feet of clean and unobstructed internal air space shall be deemed to be overcrowding, and the householder shall be liable to penalty or fine not exceeding twenty-five dollars."

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438 chiefly in the form of the city's cotton textiles, soap, cigarettes,
262 matches, and rubber shoes. In addition, through importing firms,
722 a certain amount of foreign rice arrived, usually from Indo-China; but Saigon rice was considered inferior, and Chinese rice was preferred when it was available.

It was obvious that when the city was surrounded by Japanese troops, its waterways could no longer be used for the transportation of rice. Immediately after the outbreak of hostilities the Shanghai Municipal Council placed orders in Saigon for 7,000 tons of rice, and chartered ships to bring it to the city. But because fighting was taking place across the Whangpoo River, the ships would not enter it, and it was necessary to send steel lighters by tug out into the Yangtse mouth to off-load the rice. This rice, stored in godowns all over the area south of Soochow Creek, was available when in November 1937, the expected severance of supplies from the interior occurred.

It was then hoped, as time went on and hostilities were removed further from the neighbouring provinces, that normal trade relations with the hinterland might be restored. For a time rice did come into the city in fair quantities. But increasing controls exercised by the Japanese military, who gave Japanese firms the privilege of collecting rice with reservation for military use, and increasing difficulties of obtaining rice in the growing districts due to various factors, by 1940 compelled Shanghai to rely almost entirely on rice imported from Saigon. The steep rise in cost of living in Shanghai dates from the commencement of dependence on foreign sources. It was tragic that Shanghai should be tied to foreign exchange in order to feed its population at a time when the exchange value of the Chinese national currency was falling.

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Other factors soon intruded. Freight rates and insurance charges rose month by month following the outbreak of the European war and added their share to the increasing cost of imported rice. But the situation was to become even worse. During the autumn of 1940 Japan was engaged in gaining control of northern Indo-China, with the result that after early February 1941, no orders for rice would be accepted in Saigon until the Japanese demand for 700,000 tons had been met.

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WHERE, THEN, WAS Shanghai to get rice? Renewed efforts to obtain rice from Chinese provinces near Shanghai failed. Prior to the sign-

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queues, and the great urge to obtain rice and fear of being without this staple caused those standing in them to crush closely against the next in line. There were frequent cases of injuries despite the efforts of the police to control the lines. Because of this situation, "rice rustlers" stood in the queues, securing the amount permitted to be bought, which they then sold at more than the official price. It was a relief when the plan for the issue of rice ration tickets finally was approved by the Japanese authorities and was put into effect in July 1942. The distressing rice queues disappeared.

The price of rice rose steadily in the months after the institution of control. The difficulty of getting rice in the queues induced farmers in the nearby countryside to smuggle in native rice which was sold at high prices up to CNC$550 per *shih* of 172 pounds. The Japanese authorities requested the Council to forbid the movement of native rice in the Settlement, as a means, it was claimed, to bring down the price in the provinces. The Japanese authorities had to buy rice there, and, it was argued, the high prices ruling in the city induced higher prices in the provinces. It was contended that Shanghai's future rice supply, when the stocks of imported rice should be finished, must come from the provinces, and it would be to the ultimate advantage of the Settlement population if the purchase could be on reasonable terms. It was known, however, that the native rice must be considerably higher in price than the imported rice when it finally came to be supplied, and therefore at intervals the price of imported rice was raised to ease the ultimate transition to the native rice price, and to build up a fund in the Council's treasury to permit native rice to be sold at a loss if need be. Japanese authorities made available some, but not sufficient, rice from May 1942, when the stocks of imported rice were used up.

The fixing of the saleable quantity and of the price of rice and flour and flour products such as noodles, *ta ping* or big flour cakes, and many other items was only part of the emergency measures undertaken to secure essential commodities. Before Pacific hostilities developed, through an Association of Importers and Manufacturers, the prices of several hundred packaged goods, foods and drugs chiefly, were fixed. Fixing of the prices of coal and coal briquettes followed. Prices for milk were declared. Stocks of tinned milk were requisitioned and kept for children and invalids. It was

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a matter of regret that control of vegetable oils, so important in the cooking of a Chinese family, could not be exercised by the Council. The Japanese regarded these commodities as materials of war. But stocks found their way uncontrolled into the market. In the case of sugar also, the Council was not permitted by the Japanese authorities to exercise controls.

The cost of living continued to rise despite the efforts of the Council to control the prices of the most significant items as indicated in the preceding paragraphs. The rise was particularly evident when, toward the end of May, Chinese National Currency depreciated day by day till two national currency notes were equal to one Central Reserve Bank note issued by the Nanking Chinese authorities. Prices then naturally rose in terms of Chinese National Currency. When, in June, it was announced by the financial authorities that Central Reserve Bank notes would henceforward oe the only legal currency, most shopkeepers merely altered the enhanced National Currency prices unchanged into prices expressed in Central Reserve Bank notes, automatically doubling them. The Council attempted to halt this process by issuing a notification that prices should not exceed those of the last week in May, but with little success. Shopkeepers claimed that replacement costs would exceed the prices of the end of May.

It became apparent therefore that extensive machinery to examine the fair selling prices of a wide range of commodities must be set up. Prices for many food items, including milk, were carefully examined: the selling prices for woollen, silk and cotton cloth of standard grades, and of shoes, were studied: and many other items and services came under close scrutiny.

To enforce selling at official prices, the selling of permitted quantities, to penalise those who refused to sell, who did not display price tags, who moved goods without a permit or without a valid permit, or who did not comply with other emergency regulations, some enforcement machinery had to be set up. For a time after December 8, 1940, the Court, formerly staffed by Chungking-appointed judges, did not function. Later it was taken over by Nanking authorities. But enforcement of emergency requirements could not await the re-opening of the Court, nor, it was felt, could the already overworked Court handle the many cases of infraction of new regulations. Accordingly an enforcement machinery was

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466 A study of the livelihood of the pullers made by the Industrial
494 Division showed that the puller had each day to pay forty-seven
per cent of his earnings for the rent of his vehicle. The large
427 number of rickshas on the streets introduced an element of competition for "fares," with the result that, after a long day's work, a puller would sometimes find himself with only enough money to pay the rent for his ricksha. Moreover, a puller cannot work every day. If he pulls as many as twenty days in the month, it is all he can do. The long hours of running demand long resting periods, at least one day in every three.

494 The Council adopted the Committee's recommendations that
the rental should be fixed by the Council, and that, in order to
745 form a pullers' welfare fund, a sum should be added to the rental, which owners would collect and deliver to the Council when paying for their licences. This plan was in effect an elementary form of social insurance where the puller paid all the contributions, since they came from an enlarged rental, but the necessity for meeting many kinds of need precluded adequate arrangements being made for any one of them. An organisation arose, known as the Pullers' Mutual Aid Association, with trustees appointed partly by the Council and partly by the Chinese Ratepayers' Association. The number of pullers was so large that not all could benefit from the social work. One of the largest social programmes in the Far East nevertheless came into being with the "P.M.A.A." It operated tea and bath houses, a hospital for pullers, paid expenses in other hospitals, paid funeral expenses, operated schools for pullers and for their children, and served the group in many other ways.

494 Pullers had to register with the police. The turnover in pullers
464 was very considerable. A study made by the Ricksha Control Officer in July 1940 showed that only two per cent of those still pulling had been registered in 1934. In 1940 eighteen per cent were newly registered.

494 With rising living costs in the years after 1937, owners of public
427 rickshas petitioned regularly for permission to increase ricksha
434 rents. To enable them to pay higher rental charges, ricksha pullers
511 had to earn more. At intervals, and always prior to allowing any change in the hire charges, a study was made of the earning capacity of the puller. He proved able to adjust his earnings to his increased living costs and higher rental charges to a degree at first believed impossible.

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believed impossible. Based on 1934 standards, which of course represented an inadequate livelihood, his real earnings index was 93.48 in 1939; and in 1940, when three separate studies were made, it was between 93.59 and 108.93. The tendency persisted. 434 511 594

It is doubtful whether the authorities succeeded in ameliorating the puller's lot to any material extent. His standard of living was low in 1934 and apparently did not improve. What remained a puzzle is why he was ready to pull for so small a return. His monthly earnings failed by a considerable margin to meet the minimum needs of a worker's family.